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State-Wide Cost Allocation Plan

Fiscal Year

Ending June 30, 1989

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MONTANA STATEWIDE COST ALLOCATION PLAN

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COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

STATE/LOCALITY:
State of Montana
Dept. of Administration
Capitol Building
Helena, Montana 59601

DATE: March 1, 1990

FILING RE.: The preceding Agreement was dated August 23, 1989

The costs approved in this Agreement are for use on grants, contracts ad other agreements with the Federal Government subject to the conditions in Section III.

EIN: 81-0302402

Section I: COST DISTRIBUTED THROUGH Statewide COST ALLOCATIONS

The central service costs listed in Exhibit A, attached are approved on a fixed basis and may be included as part of the costs of the State departments/agencies indicated during your fiscal year ended June 30, 1989 for further allocation to Federal grants, contracts and other agreements being performed at respective State departments/agencies.

SECTION II: COSTS DISTRIBUTED THROUGH BILLING MECHANISMS

In addition to Section I, which provides for services furnished but not billed, the services listed below are furnished and billed to State departments/agencies.

1. Information Services Division
2. General Services Division (Capitol Complex)
3. Publications and Graphics
4. Mail and Distribution
5. Telecommunications
6. Central Stores and Surplus Property
7. Public Employees' Retirement System
8. Teachers' Retirement System
9. Automobile Insurance (Tort Claims Division)
10. Comprehensive Liability Insurance (Tort Claims Division)
11. Department of Highways' State Motor Pool
12. Division of Workmen's Compensation
13. Office of Legislative Auditor (Compliance Audits)
14. Office of Attorney General
15. State Auditor's Office - Central Payroll Services

SECTION III: GENERAL

Direct charges from the above centers will be billed in accordance with rates established by the State and included in the records of the operating department/agency responsible for providing services.

A. LIMITATIONS: Use of the amounts in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates/amounts is subject to the following conditions: (1) Only costs incurred by the State/locality were included in its cost allocation plan as finally accepted; such costs are legal obligations of the State/locality and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the State/locality which was used to establish the approved costs is not later found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: If a fixed or predetermined rate/amount is in this Agreement, it is based on the accounting system purported by the State/locality to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES/AMOUNTS: If a fixed rate/amount is in this Agreement, it is based on an estimate of the costs for the period covered by the rate/amount. When the actual costs for this period are determined, an adjustment will be made to a rate/amount of a future year(s) to compensate for the difference between the costs used to establish the fixed rate/amount and actual costs.

D. USE BY OTHER FEDERAL AGENCIES: The rates/amounts in this Agreement were approved in accordance with the authority of Office of Management and Budget Circular A-87, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The State/locality may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. SPECIAL REMARKS: The DHHS OIG Audit Agency has recently conducted a follow-up review of Audits #08-60452 and 08-60453, both dated 9/26/86. During this review it was found that specific recommended actions on those initial audits were not taken. The agreed to adjustments were to be made by reducing internal service fund billing rates.

The estimated amount covering the eight (8) year period ending 6/30/88 is $1,116,000, and is identified in Audit # A-08-89-00208, dated 10/11/89.

The adjustments made in Exhibit A of this plan of $477,000 for 1988 and $671,610 for 1989 fully satisfy the audits addressed above and supercede the Special Remarks in the 1988 Statewide Cost Allocation Plan dated 8/23/89.

BY THE STATE/LOCALITY

State of Montana
(STATE/LOCALITY)

David R Ashley
(Signature)

Dave Ashley
(Name)

Atty. D.Veith
(Title)

3/22/90
(Date)

BY THE COGNIZANT AGENCY
ON BEHALF OF THE FEDERAL GOVERNMENT

DEPARTMENT OF HEALTH AND HUMAN SERVICES
(Agency)

(Signature)

Henry J. Bomba
(Name)

Director
Division of Cost Allocation/RASC
(Title)

March 1, 1990
(Date)

HHS Representative: John T. Dernovish

Telephone: (303) 844-5566

EXHIBIT A-1
rev 1/16/90

STATE OF MONTANA COST PLAN
STATEWIDE COST ALLOCATION PLAN
FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 1989

DEPT	Building Use Chg	Equip Use Chg	DOA-Cost Admin	DOA Accounting	DOA Purch	DOA-Trans Cost-Serv	DOA Personnel	Budget/Pr Planning	State Library	State Auditor	Legis Auditor	8/89 rev Fixed FY 1989 Costs	Adjust for Errors	ADJUSTED Fixed FY 1989 Costs	Neg Adj & IT Telecm Billings	Final FY 1989 Costs
DEPARTMENT OF ADMINISTRATION																
DOA - TORT CLAIMS	3,166		4,535	2,890	(524)	15,333	205	635			1,177	27,417		27,417	(774)	26,643
DOA - INVEST PROG			9,864	10,988	(1,140)	16,852	283	(1,352)		(3,694)	34,380	66,181		66,181	(861)	65,320
DOA - WORK COMP			4,299	1,362	(496)	28,792	188	(593)		(1,607)	1,177	33,122		33,122	(684)	32,438
DOA - TAX APPEALS			6,897	1,039	(125)	27,063	490	(968)		(2,582)	6,825	38,639		38,639	(540)	38,099
PUBLIC EMPLOYERS RET			(382)	39,637	(1,053)	48,797	1,553	21,216	772	96,374	11,728	218,642		218,642	(1,494)	217,148
TEACHERS RETIRE			(4,864)	10,917	(536)	41,336	398	8,129		74,863	1,177	131,420		131,420	(549)	130,871
LONG RANGE BLDG			111	11,085	(12)	673	(16)	(19,759)		1,775	3,531	(2,612)		(2,612)		(2,612)
DOA - ARCH & ENGR		4,744	5,981	855	10,502	16,778	392	(1,010)		(2,442)	1,177	36,977		36,977	(1,528)	35,449
DOA - PUBS & GRAPHICS	523		6,251	1,473	8,926	20,973	1,305	(1,225)		(4,783)	1,177	34,620		34,620	(1,308)	33,312
DOA - INFO SERVICES DIV	15,710		56,398	(2,429)	549	38,929	(7,511)	8,900		(23,224)	1,177	88,499		88,499	(6,006)	82,493
DOA - TELECOMMUNICATIO	2,673		7,510	2,475	9,408	17,311	(1,337)	(112)		(3,131)	1,177	35,974		35,974		35,974
DOA - GENERAL SERVICES			19,432	7,068	4,475	25,428	(1,569)	2,853		(7,274)	3,171	53,584		53,584	(721)	52,863
DOA - CENTRAL SUPPLY	4		175	1,476	(773)	3,886	687	(517)		(2,506)	1,177	3,609		3,609	(940)	2,669
DOA - MAIL & DIST	83		3,320	1,658	(383)	2,416	487	(302)		(1,242)	1,177	7,214		7,214		7,214
TOTAL DEPT	22,159	4,744	119,527	90,494	28,818	304,567	(4,445)	15,895	772	120,527	70,228	773,286		773,286	(15,405)	757,881
PRISON																
MONTANA STATE PRISON				(2,098)	21,810	2,058	36,723	11,316		31,324	7,062	108,195		108,195	(2,889)	105,306
SWAN RIVER YOUTH				1,019	7,425	97	1,462	5,476		2,469	11,232	29,180		29,180		29,180
TOTAL PRISON	0	0	0	(1,079)	29,235	2,155	38,185	16,792	0	33,793	18,294	137,375		137,375	(2,889)	134,486
INSTITUTIONS																
DEPT INSTITUTIONS				7,592	(2,994)	651	7,817	14,342	15,755	14,617	17,373	75,153		75,153	(15,154)	59,999
MONTANA DEV CTR				(3,022)	16,239	1,250	33,831	3,466		34,365	1,216	87,345		87,345	(9,466)	77,879
CENTER FOR AGED				(316)	(4,212)	512	7,306	5,677		10,849	6,809	26,625		26,625	(746)	25,879
EASTMONT TRNG CT				789	6,540	234	7,436	5,538		7,687	11,996	40,220		40,220	(59)	40,161
MOUNTAIN VIEW				617	7,534	89	4,925	5,260		5,513	7,460	31,398		31,398	(1,217)	30,181
PINE HILLS				243	8,600	374	8,236	5,906		8,854	7,247	39,460		39,460	(1,489)	37,971
TOTAL INST	0	0	0	5,903	31,707	3,110	69,551	40,189	15,755	81,885	52,101	300,201		300,201	(28,131)	272,070
VOCATIONAL TECH																
BILLINGS VO-TECH				8,917		144	2,750	49,192		1,149	11,022	73,174		73,174	(398)	72,776
BUTTE VO-TECH						10,635		578	2,219	1,526		14,958	1,159	16,117		16,117
GREAT FALLS VO-TECH						9,949		(5,965)	2,938	1,610		8,532	7,585	16,117	(677)	15,440
HELENA VO-TECH						10,828		1,330	3,507	1,884		17,549	(800)	16,749	(795)	15,954
MISSOULA VO-TECH						11,938		3,700	3,857	2,044		21,539	(4,284)	17,255	(868)	16,387
TOTAL VO-TECH	0	0	0	8,917	0	43,494	2,750	48,835	12,521	8,213	11,022	135,752	3,660	139,412	(2,738)	136,674

EXHIBIT A-1
rev 1/16/90

STATE OF MONTANA COST PLAN
STATEWIDE COST ALLOCATION PLAN
FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 1989

DEPT	Building Use Chg	Equip Use Chg	DOA-Cost Alloc	DOA Accounting	DOA Purch	DOA-Trans Cost-Serv	DOA Personnel	Budget/Pr Planning	State Library	State Auditor	Legal Auditor	8/89 rev Fixed FY 1989 Costs	Adjust for Errors	ADJUSTED Fixed FY 1989 Costs	Neg Adj B: '87 Taxcen Billings	Fixed FY 1989 Costs
UNIVERSITIES/COLLEGES																
UNIV OF MONTANA				(74,092)	54,193	(4,372)	31,108	8,103		7,633	19,081	41,664		41,664	(53,331)	(11,667)
MONTANA ST UNIV				(34,666)	81,650	(15,541)	29,931	5,792		30,385	20,954	118,535		118,535	(39,644)	28,891
MONTANA COL M&T				17,178	15,165	(5,122)	2,139	(8,328)		11,876	34,334	67,242		67,242	(7,289)	59,953
EASTERN MONT ST				(5,059)	27,908	(11,165)	12,539	(5,191)		18,048	40,767	77,847		77,847	(20,710)	57,137
NORTHERN MONT ST				9,476	9,341	(4,334)	6,404	(904)		8,740	16,854	45,777		45,777	(7,517)	38,260
WESTERN MONT ST				16,759	22,452	(3,117)	4,542	(2,498)		7,690	34,496	80,324		80,324	(2,226)	78,098
TOTAL UNIV/COL	0	0	0	(70,394)	210,939	(43,651)	86,663	(3,026)	0	84,372	166,486	431,389		431,389	(130,717)	250,672
LABOR & INDUSTRIES																
LABOR & INDUSTRY				3,619	11,089	(173)	19,722	57,858	309	579	15,344	108,347		108,347	(4,666)	103,681
L&I - EMPOY SERV				17,517	(13,576)	2,230	26,039	15,880		24,387	14,279	87,306		87,306	(35,572)	51,734
L&I - WORK COMP				20,683	(5,471)	9,254	16,384	19,461		50,356	58,643	169,310		169,310	(14,799)	154,511
TOTAL L&I	0	0	0	41,819	(7,958)	11,311	62,145	93,199	309	75,822	88,266	364,963		364,963	(55,037)	309,926
OTHER DEPARTMENTS																
LEGISLATIVE COUNCIL	1,103			6,160	(508)	282	2,226	3,071		5,669	4,915	22,818		22,918	(2,300)	20,018
SENATE				1,719		245	1,112	(112)		4,413	1,177	8,554		8,554	(3,276)	3,278
HOUSE				1,937	(1,216)	502	1,554	10	5,715	7,187	1,177	17,166		17,166	(5,593)	11,573
ENVIRON QUALITY				1,536		39	232	749		504	1,177	4,237		4,237	(573)	3,664
CONSUMER COUNCIL				1,616	(203)	64	157	(181)		582	1,177	3,212		3,212	(572)	2,640
JUDICIARY	26,909	8,393		4,933	(811)	601	2,675	3,671		8,736	8,650	64,158		64,158	(3,504)	60,654
GOVERNOR	1,337	23,827		10,298	(1,290)	(172)	(138)	7,246		2,824	11,105	55,037		55,037	(6,365)	48,172
SEC OF STATE				2,728	672	121	1,224	262		2,949	6,847	14,803		14,803	(1,731)	13,072
COMM POLITICAL PRAC				1,596		1	34	(2,072)		298	3,669	3,526		3,526	(305)	3,211
SUPT PUBLIC INSTR				46,421	13,731	1,017	9,672	(9,149)		14,572	17,132	93,396		93,396	(6,040)	87,356
CRIME CONTROL CO				2,726	(405)	249	539	5,766		1,687	2,354	12,916		12,916	(1,254)	11,662
HWY TRAF SAFETY				1,378	(1,413)	41	314	(1,850)		492	1,177	134		134	(569)	(435)
PUBLIC SERVICE COMM				623	2,317	78	933	2,605	927	3,554	5,739	16,776		16,776	(2,643)	14,133
BOARD OF PUBLIC ED				1,465	1,680	16	75	(1,086)		242	1,190	3,582		3,582	(477)	3,105
AGRICUL EXPER STA				460	(14,515)	197	8,781	466			7,062	2,481		2,481		2,481
COOP EXTENSION				3,956	(2,837)		5,109	(1,040)		2	5,886	11,076		11,076		11,076
FORESTRY-CONSERV				1,220			461	(956)			1,177	1,902		1,902		1,902
MONTANA ARTS COMM				3,733	7,189	57	314	3,909		690	3,531	19,425		19,425	(1,307)	18,118
MONTANA COUN VOC ED				1,510	(608)	34	75	(526)		224	1,177	1,883		1,883	(545)	1,338
HISTORICAL SOCIETY				10,276	653	333	3,710	6,965	3,862	4,483	13,708	43,990		43,990	(3,067)	40,923
BOARD OF REGENTS				1,586		9		(6,410)		61	1,265	(3,486)		(3,486)		(3,486)
FIRE SERV TRAINING				1,382	(405)	24	222	2,382		547	1,177	5,329		5,329	(480)	4,849
FISH, WILDLIFE PRESERVE				(45,031)	10,119	7,504	50,846	13,906	6,179	60,962	14,575	99,040		99,040	(26,516)	72,524
HEALTH & ENV SER				(7,333)	11,334	1,083	13,658	50,242	16,219	16,724	8,553	115,933		115,933	(21,421)	94,512
HIGHWAYS				61,001	15,906	5,499	144,448	(65,245)	1,853	79,123	13,734	256,369		256,369	(48,920)	207,449
STATE LANDS				8,722	(3,023)	1,312	14,466	35,398	7,413	26,011	6,592	96,893		96,893	(15,930)	80,963
LIVESTOCK				7,601	1,405	390	3,737	7,300		5,586	9,417	35,439		35,439	(7,959)	27,480
NAT RES & CONSV				(1,133)	10,446	1,115	10,355	(31,435)	14,929	16,582	24,423	45,150		45,150	(17,552)	27,548
REVENUE				(310)	(4,285)	(2,908)	43,956	79,699	6,333	193,035	37,104	353,581		353,581	(35,426)	318,155
AGRICULTURE				3,290	(8,304)	901	5,631	11,917	4,916	9,376	7,702	34,025		34,025	(6,644)	27,381

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STATE OF MONTANA COST PLAN
STATEWIDE COST ALLOCATION PLAN
FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 1989

DEPT	Building Use Chg	Equip Use Chg	DOA-Cent Admin	DOA Accounting	DOA Purch	DOA-Treas Cent-Serv	DOA Personnel	Budget/Pr Planning	State Library	State Auditor	Legis Auditor	8'89 rev Fixed FY 1989 Costs	Adjust for Errors	ADJUSTED Fixed FY 1989 Costs	Neg Adj Re '87 Telecom Billings	Fixed FY 1989 Costs
VETERANS HOME				426	11,841	363	6,391	5,382		3,571	8,257	36,231		36,231		36,231
MONTANA STATE HOSP				(11,716)	33,774	1,728	54,466	14,420		60,772	4,544	157,988		157,988	(3,580)	154,408
BOARD OF PARDONS				1,517	960	9	148	3,234		298	2,778	8,944		8,944	(593)	8,351
YOUTH TRMT CENTER				1,826	(2,634)	526	1,676	1,312		4,547	11,870	19,123		19,123	(721)	18,402
DEPT OF COMMERCE				44,675	5,975	5,519	13,655	32,270	2,626	38,897	38,063	181,680		181,680	(27,734)	153,946
ADJUTANT GENERAL				8,014	6,308	875	3,995	3,259		6,710	13,571	42,732		42,732	(21,367)	21,365
DISASTER FUND				4,200	2,622	(369)	978	311		355	5,596	13,693		13,693	(2,421)	11,272
DEPT SOCIAL & REHAB				(1,542)	24,583	(47,762)	76,908	25,868		34,339	128,881	241,275		241,275	(53,982)	187,293
SCHOOL FOR DEAF				8,542	(5,044)	489	3,551	(6,726)		4,765	14,047	19,624		19,624	(112)	19,512
NW REG POWER		4,359		896		66	387	57		682	1,177	7,624		7,624	(787)	6,837
STATE MOTOR POOL				1,322		48	332	65		476	1,177	3,420		3,420		3,420
LAW LIBRARY	21,487	33,600		914			429	77			1,177	57,684		57,684	(641)	57,043
DEPT OF JUSTICE	15,545	372,828		44,285	2,125	(3,023)	(2,616)	8,377	7,106	34,301	22,841	501,769	(489,145)	12,624	(20,133)	(7,509)
COMM ON HIGHER ED	73,119	7,336		12,969		(377)	(744)	88,455	6,641	1,995	1,729	191,123		191,123	(4,345)	186,778
FISCAL ANALYST	381	10,605		1,630	(203)	75	853	(49)		1,489	1,177	15,958		15,958	(967)	14,991
DEPT OF JUSTICE				25,521	(12,564)	(7,838)	(38,817)	(12,686)		34,301	22,841	10,758		10,758		10,758
OTHER PROGRAMS												0		0	(6,634)	(6,634)
TOTAL OTHER	139,881	461,448	0	279,420	103,763	(30,132)	433,224	279,108	83,721	694,170	504,348	2,948,951	(489,145)	2,459,806	(367,769)	2,092,037
ISF DIRECT DEPT												0		0		
DOA - CENTRAL ADMIN												0		0	(503)	(503)
DOA - ACCOUNTING												0		0	(778)	(778)
DOA - PURCHASING												0		0	(1,231)	(1,231)
DOA - TREASURY/C SERV												0		0	(677)	(677)
DOA - PERSONNEL	73,119			416	3,124	21	171	(3,625)	6,641			79,867	(79,867)	0	(2,960)	(2,960)
BUDGET/PROG PLANNING												0		0	(1,261)	(1,261)
LIBRARY COMMISSION				(3,676)	(811)	(642)	(1,877)	(7,277)	211,489	(1,070)		196,136		196,136	(3,887)	192,249
STATE AUDITOR				(4,306)	(3,242)	(1,398)	(4,343)					(13,289)	13,289	0	(5,554)	(5,554)
LEGISLATIVE AUDITOR												0		0	(2,073)	(2,073)
TOTAL DIRECT	73,119	0	0	(7,566)	(929)	(2,019)	(6,049)	(10,902)	218,130	(1,070)	0	262,714	(66,578)	196,136	(18,924)	177,212
	235,159	466,192	119,527	347,514	395,575	288,835	682,074	480,090	331,208	1,097,712	910,745	5,354,631	(552,063)	4,802,568	(671,610)	4,130,958

STATE OF MONTANA

BUILDING USE CHARGE

NATURE AND EXTENT OF SERVICES

The State does not currently depreciate its fixed assets for accounting purposes. Therefore, a use charge of two percent of the cost of construction and renovation of State buildings has been included in this Schedule. Building use charges are allocated to internal service funds since no building use charges or depreciation is included in the internal service fund financial statements. Use charges for four buildings are included in this schedule.

The building use charges are allocated to central service and internal service departments based upon the usable square footage occupied in each building.

REF: A-87, Attachment B, paragraph B.11.

STATE OF MONTANA

EQUIPMENT USE CHARGE

NATURE AND EXTENT OF SERVICES

The State does not currently depreciate equipment for accounting purposes. In lieu of depreciation, a use charge of 6.67% of equipment purchases has been allocated to each central service department.

The use charge is allocated based upon the Statewide Budgeting and Accounting System Equipment records maintained by the Department of Administration - Division of Accounting.

REF: A-87, Attachment B, paragraph B.11.

STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION
CENTRAL ADMINISTRATION

NATURE AND EXTENT OF SERVICES

The Department of Administration (DOA) has responsibility to provide centralized services for State agencies in the following areas: accounting and financial reporting; Capitol Complex Building maintenance; Capitol security; State bonded indebtedness administration; State treasury services, insurance coverage, systems development, telecommunications, data processing; personnel management and labor relations; purchasing; duplicating, mail and messenger services; records management; employee group benefits program; and various State retirement systems. The DOA is responsible for the overall supervision and coordination of its departments, divisions, boards and agencies. Direct charges to some programs have been made for staff attorney time. Therefore those costs have been deducted as a direct billed cost.

The costs for this Schedule are allocated to each DOA program based upon salaries and wages.

REF: A-87, Attachment B.

STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION
ACCOUNTING DIVISION

NATURE AND EXTENT OF SERVICES

The Accounting Division staff operate and maintain the Statewide Budgeting and Accounting System (SBAS) and the Property Accountability Management System (PAMS). SBAS is used by all State agencies to account for the State's financial affairs. Three primary functions exist in this Division, as follows:

"Daily" - relates to the day-to-day flow of information into and out of the system. Costs are allocated based upon SBAS transactions.

"APFRS" - allocates the cost of setting statewide accounting policy and meeting financial reporting requirements. Costs are allocated based upon total expenditures.

"SBAS Support" - relates to the cost of systems operations. Costs are allocated based upon the number of programs per department.

REF: A-87, Attachment B, paragraph B.1.

STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

NATURE AND EXTENT OF SERVICES

This Division provides a centralized purchasing service for State agencies. The Division investigates sources for products, determines alternate product possibilities, prepares specifications and enforces the terms and conditions outlined in the purchase orders issued. The office ensures compliance with purchasing laws and rules for agencies with delegate purchasing authority and provides technical assistance with their purchases.

Purchasing is divided into three functions for Plan purposes:

"General Purchases-IFB" - costs allocated based upon the number of requisitions processed for an agency.

"RFP" - Requests for Proposals - costs are allocated based upon the total "RFPs" issued per department.

"Term Contracts" - require extra effort on behalf of certain agencies. Costs are allocated based on total term contracts per agency.

REF: A-87, Attachment B, paragraph 24.

STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION
CENTRALIZED SERVICES DIVISION

NATURE AND EXTENT OF SERVICES

This Division performs three major functions:

1) Providing accounting and budgeting services for all divisions and programs of the Department of Administration;

2) Recovering and accounting for all money deposited by State agencies and redeeming all State warrants presented for payments;

3) Providing personnel functions/support to all agencies of the Department of Administration.

The following functions are used to allocate costs:

"Treasury" - allocated based upon total warrants issued to all agencies.

"Central Service Finance" - allocated to DOA programs based upon program expenditures.

"Central Service Personnel" - allocated to DOA programs based upon program full-time equivalent staff.

"Central Service Investments" - relates to costs associated with the investment function. These costs are eliminated as a general cost of government.

REF: A-87, Attachment B, paragraph 1.,6.,22.

STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION
PERSONNEL DIVISION

NATURE AND EXTENT OF SERVICES

The State Personnel Division provides State agencies with a comprehensive program of personnel administration including maintenance of position classification, collective bargaining and labor relations, group benefit plans, deferred compensation, training, equal employment and affirmative action, and other programs. The costs of employee benefits are recovered through earnings of the self-insurance fund. The transfer funds represent a training position that is funded by the General Fund and therefore included in the "Classifications" function for allocation to programs.

For Plan purposes, the State Personnel Division is allocated as follows:

"Labor Relations" - based upon covered employees per department.

"Classifications" - includes training, classification and recruitment costs. This function is allocated based upon full time equivalent staff.

"Other Programs" - includes employee benefits and other costs not allocated through the Plan.

REF: A-87, Attachment B, paragraph 22.

STATE OF MONTANA

OFFICE OF BUDGET AND PROGRAM PLANNING

NATURE AND EXTENT OF SERVICES

This Schedule includes the costs for the Office of Budget, Program Planning. The Division provides management services to State agencies, including planning and preparation of their budget, working with each agency; and position control. Part of the cost of Program Planning is eliminated as a general cost of government due to budget work with the Legislature. Direct billed costs reflect those costs billed for the statewide single audit.

The following functions are used to distribute the costs for the office.

"Program Planning" - Expenditures are allocated based upon upon the percentage of Department effort.

"Position Control" - Monitors State Agency staffing levels by program. Costs are allocated on the baeis of full-time equivalent staff.

"DP Systems and Statistics" - Responsible for monitoring and processing documents on a statewide basis, and monitors revenue - including Federal funding by program. Costs are allocated based upon total departmental expenditures.

REF: A-87, Attachment B, paragraph 6.

STATE OF MONTANA

STATE LIBRARY

NATURE AND EXTENT OF SERVICES

The State Library serves as a reference center for State Agencies, business. individuals, and other libraries, with the predominant user being other State Agencies. In accordance with Montana Law, the Reference and Information Services program provides staff, services, and collections of materials, making information services available for all State offices and State employees. Services include inter-library loans for all State employees, data base searching for both State employees and citizens in Montana. The costs related to the direct programs have been deducted as a direct billed cost, so that the Schedule A cost for the State Library reflects the central service costs related to the direct programs.

REF: A-87, Attachment B, paragraph 19.b.

STATE OF MONTANA

STATE AUDITOR'S OFFICE

NATURE AND EXTENT OF SERVICES

This office has duties to superintend the fiscal concerns of the State, suggest plans for improvement and management of public revenues, keep an accounting system of all State funds and pay the State Treasury all funds and moneys received. The Office provides services in other areas also, primarily in distributing police and firemen's retirement funds to local governments.

The functions of this Office included in this Plan for distribution to State agencies include the following:

"Payroll" - relates to the costs of operating the State Central Payroll System, paying all State employees. A payroll service fee is assessed against non-general fund operations, therefore all direct billed costs are deducted from agency allocations and only net costs are allocated. Costs are allocated based upon total payroll warrants.

"General Services" - include the costs of Fiscal Control and Management Division Staff that provide direct mailing of State warrants, replacement of lost or damaged warrants and final storage of cased warrants. Costs are allocated to all agencies based upon the total warrants.

"Direct Programs" - represent the non-central service functions of the department. The direct costs of the department are deducted so that those costs allocated represent only the central service costs for the direct programs.

REF: A-87, Schedule B, paragraph 21.,12.

STATE OF MONTANA

LEGISLATIVE AUDITOR

NATURE AND EXTENT OF SERVICES

The Legislative Auditor is mandated to perform the State auditing function. There are two functional areas in the agency: Financial - Compliance Audits; and Performance - EDP Audits. An overall statewide financial audit is conducted, as well as biennial financial-compliance audits of all State agencies. Legislatively requested audits and performance audits are conducted to determine effectiveness, efficiency, and compliance with laws, rules, goals and objectives.

"Financial Compliance Audit" - costs allocated to all agencies for which audit services were performed, less any direct charges for services.

"Performance - EDP" Audit - costs allocated on the basis of the total programs per department.

REF: A-87, Attachment B, Paragraph 4.